

ACCOUNTANCY

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PROFESSIONAL NOTES

1946

We extend our best wishes to readers of ACCOUNTANCY and we particularly remember those who are serving with H.M. Forces. The mood for 1946 is neither chastened nor gay, but it is well for us to remind ourselves of the significance of V.E. and V.J. and of the immense relief we now enjoy. Further, after a short period of rapid changes and some disappointments, there are signs, both internationally and at home, that the process of readjustment is yielding at least some results, gradual and limited though they be. The nation is conscious of great tasks ahead and we suggest that the resolution to achieve re-conversion in all spheres of the national life will be stimulated by rather less of the prevalent tendency to self-analysis and some quickening of confidence. The accountancy profession may reasonably claim that even during the fateful years of the war it endeavoured to foresee and prepare for the problems and work of peace. Already the Branches and District Societies of Incorporated Accountants are showing healthy signs of returning vigour. There is an intense desire on the part of all to welcome and assist those who have rendered such fine service with H.M. Forces. The success of the first refresher course for Service members, recently held by the Society at New College, Oxford, at which the President so happily presided, will give impetus to other endeavours. In their tasks, the President and Council are assured of the support and active co-operation of members throughout the Society.

Sir Frederick Alban, C.B.E.

In another column is a report of a dinner given in honour of Sir Frederick Alban, Vice-President of the Society of Incorporated Accountants, by the President and members of the South Wales and Mon. District Society. The occasion was to mark the honour of Knighthood conferred upon Sir Frederick by H.M. The King. The dinner was a family party of Incorporated Accountants to which the President and the Secretary of the Society were invited.

Previous to the dinner, the Lord Mayor and Lady Mayoress of Cardiff kindly entertained the President (Mr. F. Woolley), Sir Frederick and the members of the Committee of the District Society.

Mr. E. Ewart Pearce, M.B.E., President of the District Society, took the chair at the dinner, which was the first function arranged by the South Wales members for several years. Among the company were Sir Frederick's partners and some service members. There were interesting speeches, and Sir Frederick's response to the toast of his health was enlivened by wit and many happy recollections of his friends in the Society. A message of greeting was sent to Sir Frederick's son, Captain Roland J. Alban (A.S.A.A.) serving with H.M. Forces, who was *en route* from Europe to England.

Britain's External Position

With the text of the Washington agreement, a separate publication was issued setting out the statistical material regarding this country's external

problem, presented during the Washington negotiations. It is revealed for the first time that on the eve of Lease-Lend the "barrel had been scraped" so thoroughly that our exchange reserves were reduced to a mere £3 million. Mainly because the pay of the United States Forces in the sterling area has brought in considerable dollar sums, the reserve has since been restored to around £450 million. While recognising that any estimate of our future balance of payments involves great uncertainties, the report makes a tentative estimate of the deficit for 1946 at £750 million, with a further £500 million for the two years 1947 and 1948. This gives a cumulative deficit of £1,250 million, even if equilibrium has been completely restored by the end of 1948. To pay for our pre-war volume of imports, it is pointed out, exports will have to rise by 50 per cent., while an increase of nearer 75 per cent. over pre-war would be required to achieve a reliable equilibrium, allowing for some increase in the adult population and for some improvement in the standard of living, coupled with an expansion in industrial production, giving rise to an increased demand for imports. Allowing for a doubling of the price level compared with 1938, this means that exports will have to reach an annual level of £1,400 million to £1,650 million.

It is pointed out that more than half of our pre-war merchant shipping tonnage was lost during the war, and allowing for new building the merchant fleet is still less than three-quarters of its pre-war figure. This involves not only a serious loss on capital account, but also a reduction in our shipping income. Net income from overseas investments in 1945 will be less than half that received in 1938, at £97 million, of which £45 million will come from the sterling area and £27 million from South America. Our external liabilities at June 30 totalled no less than £3,355 million, and for the first time the distribution of this figure between different areas is officially stated. Debts to the sterling area totalled £2,723 million, of which £1,732 million was owed to India, Burma and the Middle East, and £384 million to the Dominions. Liabilities to North and South America amount to £303 million, and to Europe (including the dependencies of European countries) £267 million, and there are miscellaneous items of about £37 million.

The Society's Examinations

The normal peace-time practice of holding the Preliminary, Intermediate and Final examinations in May and November will be resumed this year by the Society of Incorporated Accountants, and the centres at London and Cardiff are being reopened for the convenience of candidates in the south of England and South Wales, who during the war years have sat at Taunton. The next examinations will therefore be held on Tuesday, Wednesday, and Thursday, May 7, 8 and 9, 1946, at London, Manchester, Leeds, Cardiff, Glasgow, Dublin, and Belfast. It is hoped to arrange for the subsequent examinations to be held on November 19, 20, and 21, 1946, at the same centres. Applications on the prescribed forms may be submitted immediately, and for the May examinations must reach the Secretary of the Society at

Incorporated Accountants' Hall not later than Tuesday, March 19, 1946. The thanks of the Society are due to the Governors and Headmaster of Taunton School for the facilities so kindly granted during the last six years. Acknowledgment is also due to the Governors and Headmaster of Sedbergh and to the Education Committee of Southport for previous facilities.

An Administrative Staff College

As the activities of industrial and commercial enterprises, and of the Government and local authorities, become more complex, an increasing number of those in executive positions are called upon to accept responsibility. This gives rise to the need for specialised training in the fundamental principles of organisation and administration. For more than three years a group of industrialists and others have accordingly been studying a plan to found an Administrative Staff College, and it is welcome news that such an institution has now been established, with Mr. Geoffrey Heyworth as Chairman of the Court of Governors. The proposal has already been warmly welcomed by members of the Government, leaders in industry, commerce, the Services, Local Government and the universities. The courses will each last three months, and will be attended by some 60 students, normally between the ages of 28 and 34, drawn from industry, commerce, the public services and the trade unions, and nominated in the first instance by their own organisations from among the most promising of their rising administrative personnel. The Court of Governors have accepted an offer by Lord Hambledon of the loan of "Greenlands," his riverside home at Henley-on-Thames, for use as a college building. The college will not, of course, be a profit-making body, and the necessary annual income of £45,000 will be derived from contributions. An offer of £10,000 for the award of scholarships has been made by the Nuffield Organisation.

Hops Marketing Scheme

A Reorganisation Commission has been appointed by the Minister of Agriculture and Fisheries, under the provisions of the Agricultural Marketing Acts, 1931 to 1933, to review the operation of the Hops Marketing Scheme. The chairman of the Commission is Lord Piercy, and the other members are Mr. E. Cassleton Elliott, F.S.A.A., Mr. T. Macpherson, M.P., Lord Quibell, and Mr. R. O'Sullivan, K.C. Mr. G. S. Baker, of the Ministry of Agriculture and Fisheries, has been appointed secretary.

End of Retail Trade Licensing

The President of the Board of Trade has announced the termination of the Location of Retail Businesses Order and the closing of the Register of Withdrawn Traders from December 31, 1945. The system of licensing for the opening of new businesses was introduced in order to give priority to ex-traders who had closed their businesses during the war, and to men disabled as a result of war service. It is now considered that the period of six months since the end of the war in Europe has provided a sufficient opportunity for

these classes to apply for licences, but for a further three months they will continue to receive some priority in the issue of building licences for necessary repairs and alterations, and coupon floats will be issued to them in respect of goods subject to the consumer rationing system. It is thus open to ex-Servicemen and others to enter retail trade without a licence. They are, however, warned that supplies will be difficult for a considerable time to come, particularly for those without former trade connections, and that they cannot rely on getting premises repaired, adapted or furnished, or on the grant of coupon floats to establish a trade in rationed goods.

The announcement does not apply to food shops or catering establishments, which are subject to control by the Ministry of Food. In view of the shortage of supplies, these businesses will continue for the time being to be subject to the licensing system in the interests of ex-traders and suitable disabled persons.

War Damage Insurance

Some figures of claims received and payments made by the War Damage Commission in respect of damage to land and buildings (excluding public utilities) under Part I of the War Damage Act, 1943, were given in our November issue. The *Board of Trade Journal* has now published comprehensive statistics of the operation of the three schemes administered by the Board of Trade. These are the commodity insurance scheme for traders' stocks, under Part II of the War Risks Insurance Act, 1939, which operated from the outbreak of war; the business scheme for plant and machinery and business equipment, which operated from April 17, 1941; and the private chattels scheme, from May 1, 1941. The business and private chattels schemes were governed by Part II of the War Damage Act, 1943.

Two and three-quarter million claims aggregating £293 million were received under the three schemes. About half the damage up to the commencement of the V attacks in June, 1944, and practically all the damage after that date, was in the London area. Other districts which suffered severely were Merseyside, Birmingham and Coventry. Of the commodity and business scheme losses, totalling £117 million and £90 million respectively, 92 per cent. occurred in the concentrated raids between September, 1940, and July, 1941. Insurance under these two schemes was compulsory for stocks or equipment exceeding £1,000 in value (£200 in the case of retailers' food stocks) and voluntary below these limits. Under the personal chattels scheme insurance was voluntary but every person was entitled to a limited amount of free cover. The number of persons insured varied up to 200,000 under the commodity scheme, 450,000 under the business scheme, and 1,000,000 for private chattels. The commodity and business schemes were administered by district committees comprising representatives of the insurance companies and Lloyd's, under the general supervision of the Insurance and Companies Department of the Board of Trade. The work of the insurance interests was done at cost and without profit. The sums paid to them amounted to about £7,000,000, or 2.4 per cent. of the premium

income. The net financial results, excluding administrative costs of Government Departments but including an estimated provision for outstanding claims, are as follows:—

	Premium and other Receipts £ million	Claims and Expenses £ million
Commodity Scheme	203	122
Business Scheme ...	77	93
Private Chattels Scheme	16	87
	<hr/> 296	<hr/> 302

Nationalisation for Gas

Just at the time when public interest in the affairs of the gas industry had been aroused by the London gas strike and the reappearance of Mr. Therm in the newspaper advertisements, the committee of inquiry under Mr. Geoffrey Heyworth has recommended the compulsory purchase of all gas undertakings. The scheme is to divide the country into ten regions. Each would have a board, consisting of a chairman and six directors, which would take over the assets of existing undertakings—on what terms is not stated. The capital would consist wholly of fixed interest obligations and be guaranteed by the Government for a commission of $\frac{1}{2}$ per cent., payable by the boards. There would be no national authority; but in practice the Ministry of Fuel would no doubt act as a co-ordinating and supervising body. The particular form of organisation suggested seems to aim at healthy competition between the regions—the full annual statistics which the boards would issue would throw light on comparative efficiency—combined with due consideration of regional requirements. The report suggests that the boards' instructions should be to promote the maximum development of gas, to fix prices so as to cover full costs of production, and not to attempt to accumulate reserves, other than reserves for depreciation. Nobody can claim that the report is doctrinaire—Mr. Heyworth (who served on the Cohen Committee) is chairman of that great example of private enterprise, Lever Brothers & Unilever. Neither can it be said to reflect on the gas companies, for the efficiency of these undertakings is the subject of special tribute. Nationalisation is proposed because "the most serious disadvantage of the company type of ownership is the fact that Parliament, in its anxiety to protect consumers, has felt bound to impose on companies a number of controls which have had the effect of inhibiting development." In the present climate of political and economic thought it would scarcely be practicable to recommend the logical alternative to nationalisation—the removal of these inhibitory regulations. That is acknowledged in Mr. Heyworth's contention that equity capital in such an industry is undesirable because it involves shareholders' control, traditionally associated in the public's mind with the idea of restrictive price controls.

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RETURNING TO THE PROFESSION

The accountancy profession determined at an early date that the problems of men who would return from H.M. Forces must be a first consideration in future policy—a view stated by the President of the Society as far back as 1943. That conviction, however, was backed more by faith than by resources: for at that confused time diversion from the prosecution of victory was unthinkable. But V.E., followed by V.J. in August, 1945, called for immediate action to redeem the President's pledge of Refresher Courses for Service members who were to be the guests of the Society. In spite of their own pressing problems, the Warden and Fellows of New College, Oxford, in response to the request of the Society, generously arranged for one hundred men to reside in College from December 14 to 22. One hundred and fifty members responded and regretfully some requests were necessarily deferred. The Council delegated the arrangements to a Committee—Mr. Walter Holman was the Chairman and Mr. Bertram Nelson the Vice-Chairman—who, with energy and imagination, planned the Course. The details were eventually embodied in a handbook.

The Vice-Chancellor of the University very kindly opened the Course. His speech was equally distinguished by its note of welcome and by its apposite reference to the broadening effect of education; and he commended the recent scheme to provide University education as a part of training for the profession.

The President's opening speech, and a discussion initiated by the members themselves, followed by the stimulating address of the Lord Bishop of Lichfield (Dr. C. S. Woods) at the service on December 16, formed the right background. By common consent, the Bishop made a deep impression. His personality—at once both friendly and dignified—and the presentation of his views evoked a spontaneous response from the men. The Bishop, who had informed himself of the work of the profession, addressed the Course "in their capacity as Incorporated Accountants" and attempted "to form some judgment as to how Christianity touched their accountancy work." Dr. Woods thought that, within certain limits, the profit motive was right and reasonable: but, while acknowledging great social progress and the impetus of philanthropic and intellectual forces, he submitted that the profit motive had come to bulk too large and that higher considerations must also enter into industrial relationships. He asked: "Were there any clear moral judgments which might well be held by men of integrity and of Christian principle as to the way

industry works?" The Bishop emphasised the great reputation their profession bore—a function of the Christian values which they put into their work. But that fact did not absolve them from raising the further questions he had propounded.

A lively response to these questions was provided by the large number of men who came to the Junior Common Room for an informal discussion. An exchange of views proceeded for an hour and a half and widened into a consideration of the problems of the individual practitioner. These were mainly the choice of the right advice and the sense of individual responsibility in relation to a high standard of Christian values. The President's expression of thanks to Dr. Woods was received by an ovation.

The early proceedings disclosed that some members had anxiety about their future. The President invited them to a conference, and an atmosphere of confidence led to many practical suggestions. In fact the Course as a whole had both its psychological and its intellectual sides in offering guidance and encouragement to the members.

The President (Mr. F. Woolley), supported by the Vice-President (Sir Frederick Alban) and by other members of the Council, was assiduous in his attendance at the Lectures and group discussions, which became an effective tutorial system. The President welcomed as visitors Mr. E. Furnival Jones (Vice-President of the Institute and a Fellow of the Society), Mr. F. A. Cockfield (an Assistant Secretary of the Board of Inland Revenue), Professor A. L. Goodhart, K.C., and Mr. Roland Burrows, K.C. The Lecturers and Group Chairmen, who had put aside professional engagements to be present, found pleasure and mental stimulus: the members expressed their appreciation to all of them. The inspection of the accounting system at Morris Works, thanks to the courtesy of the Directors and Chief Accountant, was an attractive item in the programme.

At the concluding guest-night Dinner, the President took the Chair. The Course was honoured by the presence of the Vice-Chancellor and the Warden of New College, who made brilliant speeches, and by some other members of the University; they included Miss E. Herdman, who organised the Red Cross educational work in Prisoner-of-War Camps, and Dr. J. Grafton Milne, who was responsible for the distribution of text books to the Camps. Mr. Walter Holman proposed The University and acknowledged the indebtedness of the Society to the Vice-Chancellor for his presence at the Course, while Sir Frederick Alban, who proposed New College, cordially thanked the Warden and Fellows for the facilities and for their helpfulness. To the toast of his health, proposed by a member of the Course, the President made a happy reply: he rejoiced at the opportunity he had had to preside and extended to all the members his good wishes.

The keen appreciation of the members was a great encouragement to those who had organised the Course. But the Society as a whole would like to record its heartfelt gratitude to those who for six years left their professional work to give splendid service in H.M. Forces, and equally to their gallant comrades who have passed on.

The Washington Agreements

By ROLAND BIRD

When the House of Commons approved the Anglo-American loan agreement on December 13 they took a fateful step in British economic history. They killed three birds with one stone; for besides approving the loan, they welcomed the American trade proposals, and endorsed the Bretton Woods final act at the same time. The tenor of the speeches in both Houses of Parliament—even those of Ministers and of Lord Keynes himself—was a sufficient indication of the hesitations about the Washington agreements, which have been widely shared among all parties and all classes. After three months of hard negotiations, which came perilously near breaking point on more than one occasion, the British Government has endorsed all three instruments at a speed which allowed wholly insufficient time for consideration of these vital and complicated matters. But the decisions have been taken, at least on the British side; and it is now possible only to attempt to explain their significance *post hoc*.

The Terms of the Loan

The three agreements form one whole, and each can only properly be interpreted by cross-reference to the others. The total of the loan is \$4,400 million, of which \$3,750 million is new money which can be drawn on at any time up to the end of 1951, while \$650 million represents the final (and most generous) settlement required by the United States for all Lend-Lease obligations. The loan will carry 2 per cent. interest from 1951 onwards, and will be repaid in 50 years; full service from 1951 onwards will cost \$140 million, or £35 million sterling annually. If the United Kingdom's exchange and gold reserves are depleted and if its visible and invisible exports are less than the average volume for 1936-38 (taking account of changes in prices) the British Government may apply for a waiver of interest (though not of principal) and the remission will not be added to the capital.

These are the bare terms of the loan. They are very different from what the British team hoped to get. The facts of British war losses which were presented at Washington seemed sufficiently persuasive, on broad grounds, to warrant the initial hopes of an interest-free loan without rigid conditions. But the American negotiators have kept an ear cocked towards Congress throughout the three months, and they now have to justify the terms which Britain has accepted before the House and Senate—in which, possibly, they will be fortified by some of the criticisms which have been voiced on this side. The effective rate of interest of 1.62 per cent., if not extortionate, is not generous either. And the amount of new money is substantially less than the British team had originally suggested. It is equivalent to £937½ million, compared with a precarious estimate of £1,250 million or even more for the cumulative deficit in British foreign trade during the next five years. If this estimate of

the deficiency proves to be near the mark, the American loan will be £300 million short of making it good.

Unwinding the Sterling Area

But this is by no means the only burden of transition before us. For the loan agreement specifically provides for the winding up of the sterling area dollar pool within a year. After that time—say from the beginning of 1947—sterling receipts from current transactions will be freely convertible into other currencies (which in practice will mean dollars) without control or discrimination. And within the same period, the British Government has undertaken to work out settlements with the sterling area countries providing for the release of sterling balances (at present only freely disposable within the sterling area) in part immediately and in part by instalments from 1951, and for the "adjustment" (i.e. writing down) of balances in recognition of the general benefits of the settlement of war debts and in anticipation of the benefits of growing multilateral trade. These sterling balances amounted to £3,455 million last September and are still growing. Against the uncovered trade deficit and that part of the accumulated sterling balances which will be released during the next year our gold and dollar reserves stand at £453 million. To supplement the loan, aid is expected from Canada, and possibly from the International Monetary Fund when it is working. But when the most optimistic allowances are made regarding both the debit and credit sides of the account, it is difficult to see how Britain can avoid a dollar deficit of at least £200 million by the end of 1951, after taking account of the loan and all reserves. This calculation, let it be emphasised, assumes that by 1951 Britain will have achieved a 75 per cent. increase in the volume of exports compared with the pre-war level, and that the present standard of austerity living continues. And by that date Britain will be facing full multilateral trade, exchange convertibility, and the first £35 million annuity under the loan agreement.

It is a bleak prospect. Although the loan has been greeted with little enthusiasm, we have no option but to take it, with all the strings attached. The United States have a clear idea of their economic objectives. They wish to restore non-discriminating currency and trade practices at the earliest possible moment. Hence, the liquidation of the sterling area dollar pool in the phenomenally short period of a year—before the Forces have been demobilised—when, under the Bretton Woods agreement, a period of five years, and under certain conditions even longer, was contemplated for this very purpose. But the principles of non-discrimination on which the Americans stand are valid consequences of Article V of the Atlantic Charter and Article VII of the Mutual Aid Agreement; apart from the question of the timetable, Britain is equally bound in principle to them, and cannot properly object to their inclusion in the

Washington documents. Nor is the loan itself a major burden; if the clarification of war's different economic consequences between the two Western Allies had to be sought on a commercial footing, it cannot be claimed that the cost of £35 million a year during the second half of this century will break the British economy. What is chilling and alarming is the precipitate speed with which the Americans seek to achieve these theoretically proper objectives of free and expanding trade and approximately full employment throughout the world. Britain has to dismantle her war-time defences almost immediately, and restore free convertibility and multilateral trade, when her only hope of bridging the transition phase is to retain control of her external economic affairs. In practical fact such control could not be non-discriminating; it would have to be based on reciprocity—or, as the Americans would say, bilateralism.

This same pattern of non-discrimination runs throughout the proposals of the United States to be discussed at next year's conference on trade and employment. The document setting out the proposals is an admirable statement of the case for free multilateral trade and the removal of barriers. But it completely ignores the disordered state of the world economy outside the United States. It assumes that world trade can be restarted on the old lines at the pressing of a switch; it does not consider the painful problems, facing Britain and other countries, which are involved in rebuilding trade connections—many of which, incidentally, were deliberately destroyed by Britain in the interest of winning the war most effectively in conjunction with our Allies. The proposed International Trade Organisation will, it is suggested, be assisted in its task of fostering increased trade and employment by Bretton Woods. This is assuming a lot. For whatever the merits of Bretton Woods, as compared with the old gold standard, the Fund and the Bank which are to be set up can only work effectively themselves after the post-war transition phase has been successfully surmounted. So far as sterling is concerned, the period of easement is a mere year. Clearly, all the flexibility which is claimed for Bretton Woods will not be too much for assisting a disordered world to find its feet.

"Non-discrimination" and Britain's Future

But when the complications of the trade proposals are carefully analysed, any number of reservations can be found which qualify the unexceptionable principles on which they are based. They nowhere consider the necessity for America, now the world's greatest creditor, to become the world's greatest importer. They are distinctly coy about the removal of restrictions upon trade in manufactures; "members should enter into arrangements for the substantial reduction of tariffs and for the elimination of tariff preferences"; and even this declaration is subject to an escape clause protecting producers against the sudden consequences of tariff reductions. They make no reference to shipping, in which this country has a clear competitive advantage in the long run, if it is not destroyed by subsidies and

discriminations such as the United States themselves have recently been considering. What is meant by "substantial" when applied to reductions in the highest tariff system in the world? How substantial would the reductions have to be in order that Britain could increase her exports of manufactured goods by something like 100 per cent., compared with the pre-war level? (She cannot much increase exports of food and raw materials to get the needed 75 per cent. overall increase.) And how is assistance for colonial development to be granted when it would fall under the ban of bilateralism and discrimination if it is to be given in the most practical form, namely, a guaranteed market for colonial produce exported to Britain?

Britain, in effect, is being asked to forgo her only advantage in her present difficult situation—namely, to throw open her large import market, in return for a "substantial" cut in tariffs. She can make no reciprocal trade agreements of an exclusive character, and if she imposes restrictions upon imports to correct disequilibrium in her balance of payments, the restrictions must be omnilateral. Indeed, the doctrine of non-discrimination threatens the whole structure of Imperial economic relations, on which this country must rely for a substantial amount of assistance during the transition phase and after, and it threatens Britain and the Dominions with the consequences of economic instability in the United States. Compared with these possibilities, the undertakings about manufactured goods are most unexplicit. Cartels, and restriction of production, markets and invention, are all solemnly condemned; but no concrete steps are proposed to deal with them apart from consultation and recommendation. It will take something more than this to frighten international rings—and there are no recommendations whatever for rings operating within the state boundaries of individual members of the I.T.O.

The cool reception to the loan and its associated conditions is thus not difficult to justify. The loan will not suffice to meet the exigencies of Britain's position over the next few years, even when they are assessed on the most optimistic basis. Sterling is to be exposed to the full rigour of multilateralism when the transition has scarcely begun to work in its favour. Britain's hands will be tied in world commerce in the cause of free trade, without any concession to the need for reciprocal arrangements between this country and its suppliers of basic foodstuffs and raw materials at least for some years to come. Such arrangements doubtless offend the multilateral principle—but they can also provide, unlike most planned State trading, an actual expansion of trade. Multilateral trade, it is well to remember, may still be compatible with a low volume of world commerce. If these binding conditions were accompanied by an ample loan of dollars free of interest they might be palatable. Equally, a commercial loan without the political and economic conditions which have been written into the Washington agreement would be tolerable. It is the combination of less than sufficient assistance with crippling conditions upon Britain's attempt to put her international

account in order which is so disheartening. No British Government could have obtained better terms; and no British Government has ever faced more portentous consequences. Granted the utmost political wisdom on the Government's part, the successful transition from the disorders of war to

some sort of economic stability rests in the last resort upon the discovery by the United States of the simple economic truth that it must accept an import surplus. Unless it does so, the rest of the world will never be able to play the economic game according to the rules which America has imposed.

Incorporated Accountants' Course, 1945, at New College, Oxford

By Two Members of the Course

The ninety members who were fortunate enough to be guests of the Society at the first refresher course for those who have served or are still serving with H.M. Forces have much to be thankful for. This kindly gesture of hospitality and help was well timed, as most of us have experienced in a greater or lesser degree feelings of loneliness and of some apprehension on returning to this strange post-war world. The objects of the course were twofold: firstly, to enable the President and Council to welcome the members on their return to the profession, and, secondly, to extend some practical help to enable them to resume civilian occupations. The atmosphere of learning and tranquillity in the venerable college immediately influenced us, and from the very beginning gave inspiration to the course, which took the form of a series of excellent lectures followed by group discussions.

On arrival on Friday, December 14, we were received by Mr. Garrett and his staff and conducted to our rooms—armed with a formidable file of papers for use during the course. From that moment onwards meals, lectures, discussions and recreation followed in ordered sequence as the days passed.

Among the ninety members attending the course were representatives of each of the Services, including several who had been disabled, some recently returned prisoners of war, and others who had received high awards for gallantry. The Women's Services were represented by Junior Commander M. Nerney, A.T.S., the only woman member of the course.

The Formal Opening

We first assembled in hall for dinner, which was followed by a speech of welcome from the Vice-Chancellor of the University of Oxford—Sir Richard Livingstone, M.A., D.Litt., President of Corpus Christi College. He emphasised the importance of university training as a background to all professions, with particular reference to the current plans of the accountancy bodies for the training of candidates for this profession; he considered that the wider outlook and breadth of vision which result from university training would be very beneficial to the profession as a whole. He also pointed out that the experience gained in H.M.F. must ultimately prove of similar value in giving us a better outlook upon life in general and upon our own work. He expressed the hope that our stay in the medieval dignity of New College would be profitable and enjoyable.

We are especially indebted to the Warden, Mr. A. H. Smith, C.B.E., M.A., for so kindly setting aside a full afternoon for the purpose of personally conducting us on a tour of the college. He described the impressive Gothic architecture of the college and showed us interesting and beautiful treasures. It is hardly possible to express our gratitude to the Warden and Fellows for allowing the course to be held in New College.

A welcome visitor during the week-end was Mr. E. Furnival Jones, F.C.A., F.S.A.A., the Vice-President of the Institute, who contributed to the proceedings.

The Lectures and Discussions

The hard core of the course lay in the series of seventeen comprehensive and instructive lectures, which were prefaced by a general review by the President. The subjects provided a remarkably complete refresher course, covering war-time taxation, suggestions for reading, the accountant as auditor—as liquidator and trustee—and as executor, Government controls, forms of accounts, etiquette of the profession, and other matters of vital interest. The object of these lectures was to make us acquainted with war-time developments and legislation, and to give us food for thought and knowledge of what we need—rather than a detailed study of the whole field, which would have been impossible in the time available. General personal regret was felt that Mr. E. Casselton Elliot and Mr. F. R. M. de Paula were prevented by illness from coming to Oxford. We wish them a speedy recovery and hope to hear them at some future date. Mr. Bertram Nelson and Mr. F. Sewell Bray kindly gave lectures for them. The thanks of all of us are cordially extended to Mr. F. A. Cockfield (an Assistant Secretary of the Board of Inland Revenue), Mr. Roland Burrows, K.C., Professor A. L. Goodhart, K.C. (a member of the Cohen Committee), and to the President, Vice-President and other members of the Society, who generously gave us the benefit of their experience in the exposition of their own lectures or in the discussions upon the lectures of others. A special tribute is due to Mr. Walter Holman, the Chairman of the Committee responsible for the arrangements, and to Mr. Bertram Nelson for his energetic initiative throughout the course.

The discussions in groups, each in the charge of an experienced member of the Society, permitted unfettered consideration of the subjects, and this commendable procedure avoided mental indigestion:

members expressed their personal ideas and experience which may prove to be valuable to those responsible for shaping the future policy of the Society.

The Visit of the Lord Bishop of Lichfield, D.D.

Sunday, December 16, was a special day, which we shall long remember. There was a service in the College Chapel, conducted by the Rev. Professor R. H. Lightfoot, D.D.; Dr. H. K. Andrews (New College) was good enough to play the organ; the Right Rev. the Lord Bishop of Lichfield, D.D., very kindly came to preach. He delivered a vital and realistic address on how accountancy and Christianity can work together in commerce, in which he ably achieved his object of giving us food for thought. At his suggestion a large proportion of the members present assembled in the Junior Common Room in the afternoon for an informal discussion on the manner in which an accountant could best give effect to Christian principles in the performance of his duties. The discussion was based on the sermon and provoked a keen exchange of views. The conclusion reached was that an accountant had every opportunity in the course of his work to help to improve the general standard of commercial ethics.

Recreation

The course was not exclusively devoted to work, however, as ample provision was made for recreation and social intercourse. Members were able to renew old friendships and make new ones, and much of the time not taken up by official proceedings was occupied with friendly parties in members' rooms. The President and Mr. Garrett frequently invited members to tea or coffee in their rooms and Mr. Garrett (who himself served in the Royal Navy in the last war) gave an enjoyable party to those of us who had come back from Naval service. Neighbouring cafés and hostellers and the J.C.R. soon became popular centres of assembly and a theatre party was arranged on Saturday-afternoon. The weather, however, especially in the early days—not being under the control of Mr. Garrett—was the only unfavourable factor. It seriously interfered with outdoor sport, but some golfers played, enjoyable rounds at the University Golf Course and at Frilford Heath. Squash players had some good games at the college court. The members were greatly appreciative of the facilities afforded by the committees of the respective clubs. Dr. C. Clive Saxton (Magdalen), a Fellow of the Society, kindly spent some time in showing some of the members the Colleges.

Visit to Morris Motors Works

On Friday afternoon, December 21, the members took advantage of the invitation to go over the Morris Motors Works at Cowley. The party was split into four groups, which were conducted through the machine accounting offices, where members of the company's staff explained the methods of compiling the wages records, bought and sales ledgers, and cost records. We then proceeded to the assembly shops where we saw long rows of new motor-cars being prepared for export to South Africa, Australia and other overseas markets. The tour of inspection was followed by tea in the canteen, which made a fitting

and satisfying termination to our visit. The importance of newly returned Service-men seeing post-war industry at work cannot be over emphasised, as the experience reveals more clearly than anything else can the trials with which manufacturers are faced in the process of turning over from war- to peacetime production. We are therefore greatly indebted to Viscount Nuffield, C.B.E., and his organisation for the invitation and to Mr. E. J. Wilson, A.C.A., the chief accountant, who kindly arranged the visit.

Conclusion of the Course

Apart from the interlude at the Morris Works, Friday was a day of winding-up. The latter part of the morning was occupied with the passing of a series of votes of thanks. Unfortunately, considerations of space prevent us from dealing fully with them in this article; it is therefore necessary to content ourselves with saying that all the proposals were carried unanimously and with acclamation, and that the well-chosen words spoken expressed the warmest gratitude of members present to those who had worked so hard to achieve the success this course undoubtedly has been. The very evident appreciation by all of us of the President was marked by the acclamation with which the vote of thanks to him was received, and that of the work of Mr. Garrett and his staff was made manifest by presentations to them of tokens of regard and esteem. At the last luncheon in Hall, the President expressed personally to Mr. J. T. Wheeler, the college steward, to Mr. F. Slay, the chef, and to the Scouts our thanks for the preparation and service of excellent meals and for their courtesy to us.

The final official function of the course was the Guest Night Dinner in Hall on December 21, when the Vice-Chancellor of the University and the Warden of New College were amongst the guests present. Turkey and plum pudding, with excellent sherry, provided the right atmosphere for the toasts that followed. After the Loyal Toast a short period of silence was observed in memory of Incorporated Accountants who died on active service. The toasts included "The University of Oxford," proposed by Mr. Walter Holman, and "New College," proposed by Sir Frederick Alban, and provided an opportunity for an expression of appreciation for what these two ancient and learned foundations had done for us. The replies to these toasts were brilliantly given by the Vice-Chancellor and the Warden respectively. The following quotation from the Vice-Chancellor's remarks was felt to be especially appropriate: "Remembering in our height of hope always to be sober, and in our depths of desolation never to despair."

The proceedings finally closed with a toast proposed by Lieut.-Colonel R. T. Boyes, a member of the course, to "The President of the Society," to which Mr. F. Woolley, J.P., made an eloquent response.

G. A. T.
J. G. LI. G.

BOOK RECEIVED

Solicitors' Accounts. By H. N. Smart, C.M.G., O.B.E., J.P., and P. H. Blackwell, F.C.A. Second edition. (Solicitors' Law Stationery Society, Ltd., London. Price 15s. net.)

E.P.T. Refunds

The clauses in the Finance (No. 2) Act, 1945, on refunds are not exactly clear in some respects, and the following attempt to clarify them is put forward with a little hesitancy so far as the entitlement to them is concerned.

Time for Repayment

Refunds are to be paid as soon as possible after the final ascertainment and satisfaction of the total liability of the person in question to E.P.T. and N.D.C. for all relevant chargeable accounting periods. If, however, the C.I.R. think fit and the necessary undertakings, etc., have been complied with, they may make payments on account (Section 36).

Moreover, where, after the end of 1945, E.P.T. is due and payable in respect of any relevant chargeable accounting period, and a refund would be due when the amount was paid, the C.I.R. are empowered to give credit against the E.P.T. due, for the refund (after deduction of income tax at the standard rate for 1946-47) (Section 45).

Conditions for Payment of Refunds

No refund is to be made except to the persons specified and then only on the requisite undertakings and authorities being given. The undertakings may be possible only in respect of part of the amount due, in which case only that part is to be paid. The undertakings are to be in connection with the use of the net amount of the refund for the purposes of a specified trade or business (hereafter referred to simply as "business") (Section 37 (1)).

Relevant Chargeable Accounting Periods

The phrase "relevant chargeable accounting period" means any chargeable accounting period beginning on or after April 1, 1940, and ending on or before December 31, 1945, and any part of an overlapping period that falls within these dates, i.e., any period for which the rate of E.P.T. is 100 per cent. (Section 48).

Net Amount of Refund

The net amount is the gross refund less the income tax deducted therefrom and less, where appropriate, the sur-tax attributable to it on the basis of the refund being regarded as the highest part of the recipient's income (Section 48).

Specified Businesses

A business may be specified if it is either—

- (a) The original business (i.e., the business tax on the profits of which is being refunded (Section 48)); or
- (b) A business carried on or to be carried on by the person who carried on the original business in the relevant periods, or, where that person is an individual, by a relative of his; or
- (c) A business in which the said person or a relative has or is to have an interest which is substantial in relation to the size of the business. In determining whether an interest is substantial, any interest acquired in con-

sideration for making over the refund in question to the persons who are carrying on or are to carry on the business, is to be left out of account (Section 37 (2)).

A business is to be regarded as the same business notwithstanding any change in the persons carrying it on (Section 37 (3)).

A "relative" of a person is to include his or her spouse, or a son, daughter, brother or sister of the person or of his or her spouse, including an adopted or illegitimate son or daughter, and half-brother or sister (Section 37 (2)).

It appears, therefore, that—

- (1) No matter who is carrying on the original business, the refund is to be made if the necessary undertakings are given.
- (2) If the original payer of the E.P.T. or a relative of his is carrying on any business, the refund is to be made, subject to the giving of the undertakings.

Undertakings

Where the specified business is to be carried on solely by the person to whom the refund is paid, the undertaking is to be that—

- (a) the net amount of the refund will be used in developing or re-equipping the business, and until so used will be kept available for use, when required, for such purposes;
- (b) no part of the refund will be used directly or indirectly by way of dividend, cash bonus, capitalisation for the issue of bonus shares or debentures, or releasing any liability for uncalled capital, or applied by way of remuneration, drawings, loan or otherwise, for the benefit of partners, shareholders or proprietors (Section 38 (1)).

In any other case, there must be an undertaking by the person to whom the refund is paid that he will make it over to the person carrying on the business, and undertakings as above from the person to whom the refund is to be made over (Section 38 (2)).

In addition, in all cases, every person who gives any undertaking must give a further one to furnish on demand by the Treasury or the advisory panel or referee, to any person authorised by the demanding party, such accounts or other information as are required to establish how the net refund has been dealt with, and must authorise the C.I.R. (irrevocably) to disclose any documents or information in their possession to the demanding party (Section 38 (3)).

All undertakings and authorities are to bind any persons who may carry on the business at any time within the five years from the date of the undertaking, etc. (Section 38 (4)).

Effect of Breach of Undertakings

If any person deals with any part of the net amount of a refund in breach of any undertaking given by

or binding on him, or fails to produce documents or information thereunder, or if the specified business is permanently discontinued within five years and any part of the refund has not been used for developing or re-equipping it, the refund or part (as may be appropriate) will be recoverable from the person who committed the breach or, where relevant, from the person who was carrying on the business immediately prior to the discontinuance. It is provided, however, that discontinuance will not make repayment of a refund necessary if the successor gives the requisite undertakings for the balance of the five years from the date of the original undertaking (Section 39 (1)).

A director is made jointly and severally liable to the Crown for any sum recoverable from the company unless he can prove that the breach was committed without his knowledge or against his will, and he exercised due diligence to prevent the commission of the breach (Section 39 (2)).

Advisory Panel

The Treasury may appoint an advisory panel—

- (a) To approve refunds which are to be paid to a person other than the one who carried on the

original business, or which are not to be used for the original business.

- (b) To approve refunds where there has been a change in ownership of the business since the end of the relevant periods.

(In the above cases, their approval is a condition precedent to the refund being made, and in (b) they must not approve unless satisfied with the terms on which the refund has been made over.)

- (c) To inquire how the net refund has been used, and to report to the Treasury if any amount becomes due to the Crown (Section 40 (1) (2) (3)).

Referee

The Treasury may appoint a Referee—

- (a) To hear appeals against a refusal by the panel to approve any undertakings, etc.
- (b) To hear appeals against a report by the panel (Section 40 (4)).

The decision of the referee is to be final and conclusive (Section 40 (5)).

Dinner to Sir Frederick Alban

The members of the South Wales and Monmouthshire Society of Incorporated Accountants entertained Sir Frederick J. Alban, C.B.E., J.P., F.S.A.A., to a complimentary dinner at the Park Hotel, Cardiff, on December 5, 1945, to mark the great pleasure felt by them in the honour of Knighthood which has been conferred upon him by H.M. The King. Mr. E. Ewart Pearce, M.B.E., F.S.A.A., President of the District Society, occupied the chair and was supported by Mr. Fred Woolley, J.P., F.S.A.A., and Mr. A. A. Garrett (President and Secretary respectively of the parent Society), Mr. R. Wilson Bartlett, J.P. F.S.A.A. (Past-President), Mr. J. Wallace Williams, F.S.A.A., and Mr. Tudor Davies, F.S.A.A. (Vice-President and Secretary respectively of the District Society).

The President of the District Society (Mr. E. Ewart Pearce) in submitting the toast of Sir Frederick J. Alban, C.B.E., J.P., F.S.A.A., welcomed to the gathering the members who were on leave from H.M. Forces, or who had recently been demobilised. The District Society had a splendid record of war service, and at their first function held since the end of the war they were not unmindful of those members who had lost their lives in action.

The toast which he had to submit was that of Sir Frederick Alban, who became Vice-President of the parent Society in May last, and who was President of the District Society in 1925-26. Sir Frederick gained the first place in the Intermediate and Final Examinations, and received the Society's Gold Medal in 1909. He had always taken a great interest in the District Society, of which he was the Secretary during the Great War of 1914-18, and it was he who resuscitated the Cardiff Students' Section in 1919 and helped so many students on their return to civilian life. The honour of Knighthood conferred upon Sir Frederick by His Majesty was richly deserved, not only for his wonderful services to the Welsh National Memorial Association since 1916, but also for his services to the accountancy profession. At various times during the last twenty-five years, he had advised most of the local authorities in South Wales,

and a large number of authorities in other parts of the country, on their financial administration. He had given informative lectures to professional and other bodies on various phases of national and local taxation, on which he was an acknowledged authority.

Mr. R. Wilson Bartlett, presenting Sir Frederick with a silver salver and with a personal gift of the Insignia of Knight Bachelor, said he would first of all like to express to his fellow members on the committee his indebtedness for being allowed to make this presentation on their behalf. A few weeks ago he was reading a small book with a chapter with this heading: "God gave us a memory." His own memory went back just over forty years, when Sir Frederick and he were student members of that Society. It was very active in those days, and the students could look back and thank the stalwarts who gave them the opportunities to learn and proceed to the examinations. The Chairman had mentioned two of Sir Frederick's successes, but he had left out others. In 1906, Sir Frederick sat for the Intermediate Examination of the Institution of Municipal Treasurers. He came out in the second place. The following year he sat for the final of that Institute and took first place. In 1908 he sat for the Intermediate Examination of our Society. He took first place. In 1909 he sat for the Final, and was awarded first place and the Gold Medal for that year. In the same year, he also sat for the Final of the Chartered Institute of Secretaries, and again was placed first. What a wonderful record! Four firsts and one second in four years! There was his success in forming his firm; in that splendid work for the Welsh National Memorial Association; and in many other walks of life. Fred Alban had become a shining light in the whole area of South Wales and Monmouthshire, and he graced life wherever he stepped. It gave the speaker very peculiar pleasure to be allowed to hand that salver to Sir Frederick on behalf of every member of the Committee, with their best wishes for his future good health and everything that everyone could wish him.

In addition, he took the opportunity of making a

small personal presentation to his good friend. They had been together, side by side, in many things for some forty years and he was delighted that the King was pleased to confer on Sir Frederick a knighthood. He would like to have the privilege of handing to him the appropriate medallion.

Sir Frederick Alban, who, on rising to respond, was greeted with cheers and the singing of "For he's a jolly good fellow," said that the kind words spoken by the previous speakers, and the generous presentation made to him by Mr. Bartlett on behalf of the members of the District Committee, made it difficult for him to convey in words his gratitude. It had always been a pleasure to him to assist in any work on behalf of the Society, because he owed so much to the encouragement given to him by many honoured members of the profession. He recalled that it was with Mr. Wilson Bartlett that he sat for his Final Examination, and Mr. Bartlett also earned distinction for the District Society by taking honours.

Referring to his link with the Welsh National Memorial Association, he stated that he was one of a team which was striving hard to improve the health of the nation. He thanked his partners in his firm, especially Mr. Norman Lamb, because their services had enabled him to combine with his public work. To all his Incorporated Accountant friends he desired to say "Thank you" and to express the hope that he would be spared for many years to do whatever he could to help the Society, his membership of which he treasured so greatly.

Mr. J. Wallace Williams (Vice-President of the District Society), in submitting the toast of "Our Parent Society," stated how pleased his fellow members were to have with them Mr. Fred Woolley, President of the parent Society, and Mr. A. A. Garrett, the Secretary. The growth of the Society both in numbers and in prestige was due to the self-sacrificing efforts of all who had from time to time served as members of the Council. It was a duty appreciated by every Incorporated Accountant to do all in his power to maintain the dignity, status and importance of the Society. The members of the District Society congratulated Mr. Woolley on being made a Freeman of the County Borough of Southampton.

Mr. Fred Woolley, President of the Society of Incorporated Accountants, thanked the South Wales District Society for asking Mr. Garrett and himself to join them in doing honour to Sir Frederick Alban, whose ability and industry were held in such high regard by his colleagues on the Council. He cordially thanked the District Society for carrying on in their work during the difficult years of the war, and gave a message of encouragement to them in their endeavour to deal with the professional education of the members returning from service in H.M. Forces. The number of applications received by the Parent Society from ex-Service members to attend the forthcoming Refresher Course at New College, Oxford, far exceeded the accommodation available, and such a demand for professional education—which was a healthy augury for the future—was receiving the urgent attention of the Council. As the gathering that evening was of a family character (only members of the Society being present) Mr. Woolley gave the members information as to the steps taken, and difficulties which had to be contended with, in the restoration of Incorporated Accountants' Hall.

The toast of "The Chairman" was submitted by Mr. A. A. Garrett, who expressed his pleasure at again meeting his many friends in South Wales, and his best wishes to the District Society in their future activities. The toast was responded to by Mr. E. Ewart Pearce, the Chairman.

On the morning of December 5, Mr. F. Woolley, President of the Society of Incorporated Accountants, visited the Welsh National Temple of Peace and Health in Cathays Park, Cardiff. The building includes the headquarters of the Welsh National Council of the League of Nations Union and of the King Edward VII Welsh National Memorial Association for the prevention and treatment of tuberculosis.

The crypt houses the Welsh National Book of Remembrance, in which are written 35,000 names of those who lost their lives in the war of 1914-18. Each day one page of this book is turned as a perpetual memorial. At the request of the trustees, Mr. Woolley reverently performed that day's ceremony of turning a page of the book.

Publications

Palmer's Examination Note Book for Accountancy and Secretarial Students. By Alfred Palmer, A.S.A.A., A.C.C.S. Fourth edition. (Gee and Co., (Publishers) Ltd., London. Price 12s. 6d. net.)

There is no question of the efficiency of the author in achieving his purpose of providing an aid in all subjects for the professional accountancy examinations. The notes are concise and clear, and the author has been well supported by his printer; interleaves are provided for the student's own notes.

It is usually accepted that concise summaries are useful to the student, but that the needs of practitioners are best met by the longer standard works. In fact, the approach of the student to a subject of which he has no previous knowledge is often not helped by précis writing, accompanied usually by copious references to statutes and cases—and this describes the style of many textbooks. He needs full exposition and reasoned descriptions to help him to a true understanding of his subject.

There can, however, be no doubt of the value of a note book such as this to the well-read student. It not only serves to remind him of details which might be forgotten, but also preserves in his mind the framework of each subject. For the same reason, the book can also be recommended as a short refresher course to qualified accountants.

The Accounts of Executors, Administrators and Trustees. By W. B. Phillips, F.C.A. Ninth Edition. (Sir Isaac Pitman and Sons, Ltd., London. Price 6s. net.)

This book has always been a useful introduction to a difficult subject, and no claim is made that it is comprehensive. While it can be commended for its purpose, there appear to be a number of opportunities for its improvement and revision which have been missed. For example, the reference to Lord St. Leonards Act, 1859, in connection with advertisements for claims should surely be corrected to Section 27 of the Trustee Act, 1925, and even a summary of the principles of equitable apportionment cannot now be complete without a reference to the case *In re Fawcett, Public Trustee v. Dugdale*, 1940. In the light of this case, most text writers have amended their treatment and examples to show that the rule in *Hove v. Lord Dartmouth* must be applied to unauthorised investments in total, and not individually. Again, while there are the briefest of notes on the trust corporation and the liability to estate duty of property transferred to companies, considerable space is given to settlement estate duty.

Nevertheless, this remains a most clear exposition of principles, and can be recommended as first reading in the subject to both students and lay executors.

TAXATION**Valuation of Stock in Trade**

As a result of conversations we have had with the Department, it is evident that the Board of Inland Revenue take the view that the term "cost or market value" must be applied on what has become known colloquially as the "global" method, i.e., all stock to be valued at cost price and all at market value, and the lower total taken. The Department insists that this has always been the official view, and that what they term the "pick and choose method," i.e., the lower of cost or market value for each item, has never had their approval. The information on which we based the paragraph in the December, 1944, issue of ACCOUNTANCY seems to have been given without full appreciation of the position.

The Board do not, however, regard the "global" method as inconsistent with the writing down of obsolete stock to market value, notwithstanding that the current stock is taken at cost. Where the line is to be drawn is, of course, a matter of degree and, therefore, of fact.

The above indication of the attitude of the Board of Inland Revenue does not in any way alter our contention

that it is wrong for the Revenue to interfere with the method of valuation consistently adopted by large numbers, if not the majority, of businesses. The Department does not admit that the "pick and choose" method is prevalent, yet every one of our readers who has written to us agrees that it is the method adopted by clients. Reference may also be made to the Recommendations of the Institute of Chartered Accountants.

We are not here concerned with the respective merits of the two methods, but simply with maintaining that business men must be allowed to carry on their affairs in a businesslike way, and where that way is commercially sound, any attempt by the Revenue to impose other conditions is to be regretted. There are enough restrictions imposed by the Acts without the addition of others that are merely the opinion of the Board and their advisers.

Particularly do we dislike an attempt to make business men change their method of stock valuation. It is so easy for the unscrupulous to evade any such "ruling" that accountants must take a very unfavourable view of what would increase their already difficult duties.

Taxation Notes**Double Taxation and Preference Shareholders**

The existing provisions for Dominion income tax relief make it compulsory for companies to pass on the relief to all shareholders, including preference shareholders (*Sheldrick v. South African Breweries* (1923), 1 K.B. 173). This has the effect of giving the preference shareholders a higher net dividend than their contract, in equity, warrants, to the detriment of the ordinary shareholders.

Illustration

Company's assessment, £100,000 at 10s. ...	£50,000
Less D.I.T.R., £40,000 at 4s. ...	8,000

Tax payable ...	£42,000
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Rate of Relief:

$$\frac{£8,000}{100,000} = 1s. 7\frac{1}{2}d.$$

Preference dividend... ..	£10,000
Less U.K. tax at 8s. 4½d. ...	4,200

Net dividend ...	£5,800
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In the case of dividends from a Dominion company incorporated and controlled outside the United Kingdom, the Board of Inland Revenue take the view that if preference shares carry the right to a fixed rate of dividend only, no relief for Dominion tax can be given where the full dividend has been paid, unless Dominion tax is deducted from the dividend, as to give relief would result in an artificial gross dividend.

Illustration

Dominion 6 per cent. non-participating preference shares dividend ...	£100
Less tax at 10s. in £ ...	50
	£50

Dominion rate of tax, 4s.

To gross the dividend by reference to this rate would give an artificial gross of $£100 \times \frac{10}{9} = £125$, on which U.K. tax would be chargeable, giving an artificial net of £62.10s.

The shareholder would thus bear only £37s. 10s. tax, which would be absurd. Accordingly, no Dominion tax relief is given.

Preference dividends paid by British companies and carrying large Dominion tax relief make the shares peculiarly popular with sur-tax payers, owing to the increased net return. Ordinary shareholders suffer, as can be seen from the following:—

Company's profits ...	£100,000
Less U.K. tax at 5s. ...	25,000
	£75,000

Preference dividend... ..	£60,000
Less tax at 5s. ...	15,000

£45,000

Ordinary dividend (net) ...	£30,000
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The preference shareholders could reasonably expect their dividend less the standard rate, and no more; in fact, they get more than contracted for, as is seen; their real benefit is £45,000 net, equivalent to £90,000 gross (though only £60,000 for sur-tax).

The Finance Bill is changing the position regarding passing on relief. Clause 50 provides that in the case of any dividend payable after two months from the passing of the Act, no reduction in the tax deductible is to be made for any double taxation relief. The recipient of a dividend, however, cannot reclaim tax by reference to a rate higher than the net rate after taking the relief into account. In the above instance, therefore, the position would then be:

Preference dividend....	£60,000
Less-U.K. tax at 10s.	30,000
	<hr/> £30,000
Ordinary dividend (net) ...	<hr/> £45,000

This is equitable so far, but preference shareholders will be prejudiced by the fact that although they have suffered 10s. in the £, they are only to be regarded as having suffered 5s. in the £ U.K. tax. This is a swing in the other direction. It would be fair to restrict the relief to those shareholders who participate in profits otherwise than at a fixed rate only.

P.A.Y.E., 1946-47

It has been announced that to avoid a wholesale change in Code Numbers, it is intended where practicable to give effect to the increased personal allowances for

1946-47 by increasing the exemption value of the code numbers. The new tax tables will give effect to this

New Assessment Forms

Whatever advantages the new assessment forms may have for the Inland Revenue Department, we are receiving bitter complaints from accountants and their clients. These complaints are made on two main grounds, firstly, that the carbon patches make it a dirty job to handle the forms and make a mess of all papers that happen to be placed underneath on desk or in file, as any pressure or check ticks are reproduced, and secondly, that the forms are of a most inconvenient shape and size for filing. From the client's viewpoint, too, they are difficult to follow, and give rise to new types of queries.

We hope the department will review the forms for next year with these points in mind. The number of mistakes that are being found in the figures in the forms is so unusual as to give rise to the suggestion that not enough checking is being done before the assessments are dispatched.

Recent Tax Cases

By R. A. FURTADO, Barrister-at-Law

Surtax—Additional assessment—Income accruing from property claimed in High Court action—Income received under compromise—Whether additional assessments could be made.

In *Shenley v. C.I.R.* (K.B.D., 1945, T.R. 317), the matter in dispute was whether a sum received as the result of the compromise of an action, in the following circumstances, could be included in an additional assessment made on the appellant for surtax purposes. In 1937 the appellant made a gift of certain securities which were being held for safe custody by a bank; in 1939 she revoked the gift and commenced an action against the bank and the donee claiming the return of the securities. The action was compromised in 1942, on the terms (which were embodied in an Order of the Court) that the appellant should receive half of the securities, and half of the income which had accrued from them since April, 1939. Additional assessments for surtax were then made on the appellant for the years 1939-40, 1940-41, and 1941-42, in respect of the amount of the interest accruing during those years which was received by the appellant under the compromise. The Court, in a short judgment, decided that the additional assessments were correctly made.

The case touches on the difficult and important question of what can be included in an additional assessment. This question was discussed in the Court of Appeal in *Stanley v. C.I.R.* (1944, 26 T.C. 12), where it was made clear that an additional assessment can only be made for a particular year if the circumstances are such that an original assessment could lawfully have been made in that year. Surtax is charged in respect of the income of an individual, and if in the year in question the individual has no title to the income, so that no original assessment could lawfully be made, the Crown cannot justify an additional assessment in a later year by pointing to some subsequent event which enables them to say that the individual has, by virtue of that event, subsequently acquired an absolute title to the income in question. Thus, if an infant has an interest in income accumulating under a trust, which is liable to be defeated if he dies under 21, he cannot be assessed to surtax in respect of it, as it is not his income for surtax purposes during his minority; when he becomes 21 and receives the accumulations, additional assessments in respect of

the years of infancy cannot be made, as no original assessments could have been made (*Stanley v. C.I.R.*).

In the present case, the appellant's right to receive the income during the years covered by the additional assessments depended on whether the revocation of the gift was valid and effective; if it was, the income was her income each year, and original assessments would have turned out to be correct, so the additional assessments would be justified. It was admitted that if the action had gone to judgment, and the trial judge had decided that the revocation was valid, this result would have followed, and the Court held that the fact that the action had been compromised did not lead to any different conclusion.

Weekly wage-earner—Deduction of additional travelling expenses due to change of place of work—F.A., 1941, Section 23.

In *Phillips v. Emery* (K.B.D., 1945, T.R. 323), the respondent, who had been a housewife fully occupied in the discharge of household duties, and doing no other work, was directed by the Ministry of Labour to work at a factory some distance from her home. She made a claim under Section 23 of the Finance Act, 1941, to deduct from her wages for the purpose of assessment the expense of travelling between her home and the factory. Section 23, it will be remembered, provided that a weekly wage-earner who has changed his place of work or place of residence through circumstances connected with the war can deduct the additional expense of travelling between his place of residence and place of work. Mrs. Emery claimed to be entitled to the benefit of this provision, on the footing that she had previously worked at her home, and had changed her place of work, thereby incurring travelling expenses.

The Court decided against her claim, on the ground that the circumstances did not satisfy two of the essential conditions of Section 23. In the first place, the Court held that the Section, which refers to "weekly wage-earners," does not apply where the work previously carried on was unpaid; Mrs. Emery's household duties were "work," but unpaid work. In the second place, as the Section refers to "additional travelling expenses," it implies that the claimant must have been incurring

some expenses in travelling to work before the change of the place of work or place of residence happened.

Section 23 of the Finance Act, 1941, has been repealed, along with the other provisions relating to weekly wage-earners, by the Income Tax (Employments) Act, 1943, and such claims are now governed by Section 26 of the Finance Act, 1942, which is in similar terms except that instead of referring to "weekly wage-earners," it refers to "a person assessed to income tax under Schedule E in respect of any office or employment." It would seem that both the grounds on which the Court rejected Mrs. Emery's claim would apply equally to claims under this later provision, and that persons who were previously voluntary workers, and persons who previously incurred no expense in travelling to work, would have no claim to a deduction under it.

Deductions, Schedule E—Expenses incurred in attending evening classes—Rule 9 of Schedule E.

Blackwell v. Mills (K.B.D., 1945, T.R. 307) is a case of general interest in connection with deductions allowable from emoluments under Rule 9 of Schedule E. The respondent was employed as a student assistant in the research laboratories of the General Electric Co. Ltd., and it was a condition of his employment that he should attend classes in preparation for examination for the degree of B.Sc. He accordingly attended evening classes, and his employers allowed him time off without

deduction of pay to enable him to do so, and they also paid for him half the cost of his fees and text-books. The respondent was obliged to pay, in the year of assessment, half the cost of his text-books, and the cost of travelling to and from the classes, and he claimed to deduct these expenses from his remuneration for the purpose of assessment under Schedule E, as being money expended "wholly, exclusively and necessarily in performance of the duties" of the employment, within Rule 9.

The Court decided that the deductions claimed could not be allowed, on the ground that the respondent, when attending the evening classes, could not be regarded as being engaged in performing the duties of his employment. It is, of course, well settled that the only deductions allowable under Rule 9 are expenses incurred in connection with the actual performance of the duties of the employment, but the question whether any particular activity is or is not part of the duties of an employment frequently gives rise to dispute. This decision will probably cover most similar cases which may arise; the respondent was required by his employer to attend the classes, he was allowed time off from work to attend them, and the subject matter of the classes had much in common with the work he was employed to do. All these circumstances were in the respondent's favour, but his claim failed because attending classes was not in fact part of the work he was employed and paid to do.

Incorporated Accountants of Devon and Cornwall

A dinner was held at Plymouth on November 23 by the Incorporated Accountants' District Society of Devon and Cornwall. In the absence owing to illness of the President of the District Society, Mr. F. Tucker, the chair was occupied by Mr. R. W. G. Taper, a Vice-President.

The company included the Lord Mayor of Plymouth (Right Hon. Isaac Foot, P.C.), the Mayor of Exeter (Alderman F. H. Tarr), Colonel G. Thomson, D.S.O., M.C. (Plymouth Garrison Commander), Sir Clifford Tozer, J.P., Judge Scobell Armstrong, Mr. B. H. Garnons Williams (Headmaster of Plymouth College), and Mr. F. Woolley, J.P., and Mr. A. A. Garrett (President and Secretary, Society of Incorporated Accountants).

Mr. G. E. L. Whitmarsh, a Vice-President, proposed the toast of the City of Plymouth.

The Lord Mayor of Plymouth (the Right Hon. Isaac Foot, P.C.), in response, said they were trying to rebuild a Plymouth worthy of its traditions and its people. Plymouth was in the heart of Devon and Cornwall, and the two counties depended more than they realised upon the city. If Plymouth were not rebuilt, it would be a disaster not only to this country, but to the world. It was only right that the country should help. One of the biggest obstacles was the number of Government Departments concerned in reconstruction.

Sir Clifford Tozer, J.P., proposed the toast of the Society of Incorporated Accountants. He said that accountants, by the way they dealt with the additional burdens thrown upon them by war-time legislation, had proved themselves a helpful and vitally necessary part of the community.

Mr. F. Woolley, J.P., President of the Society of Incorporated Accountants, referred to the refresher courses arranged by the Society as an expression of welcome to members returning from H.M. Forces. The first Course was being held in December at New College, Oxford, and the number who had responded to the Society's invitation had exceeded the accommodation

available. It was hoped to hold further courses in 1946.

This was the sixtieth year of the Society of Incorporated Accountants. Unfortunately it was not possible to celebrate the occasion suitably. The accountancy profession during those sixty years had undergone many changes, much development and extension. To-day the accountant did not merely review the correctness of records, certify accounts, and attend to taxation matters. He was a necessary adviser to business people, and it was his job to give his clients the advice and help which could only come after long and special study. He had to provide the materials for determining future policy and development. Whatever form reconstruction of industry might take, the functions of accountants would develop further, both on the professional plane and in industry and commerce, where so many Incorporated Accountants held important appointments. The new scheme by which a university degree might be linked with professional training was an additional opportunity, and a very important step in the educational side of the Society's work. Its establishment was evidence of the regard in which the accountancy profession was held by the leaders of our University life. The arrangements had been made jointly with the Institute of Chartered Accountants and the Association of Certified and Corporate Accountants. These bodies and the Society were working together, and it was hoped that members would seek every opportunity to assist that co-operation.

Mr. Woolley extended the best wishes of the Council to the members in Devon and Cornwall.

Mr. R. W. G. Taper, Vice-President of the District Society, proposed the toast of the guests, and responses were made by Colonel G. Thomson, D.S.O., M.C., the Mayor of Exeter (Alderman F. H. Tarr, J.P.), and Mr. B. H. Garnons-Williams (Headmaster of Plymouth College).

Colonel Thomson paid a tribute to the work done by accountants in the Army during the war years.

FINANCE**The Month in the City****Uncertain Markets**

The announcement of the terms of the American loan and the subsequent debate, both inside and outside Parliament, on the general implications of the loan agreement and Bretton Woods, at first tended to reduce business and lower prices on the Stock Exchange. By those who oppose the agreements, this has been regarded as evidence that the investor takes the same view, while those who favour the agreements explain the market reaction as a sign that the investor is nervous lest the agreements should not be ratified. In reality, neither explanation fits the facts. Most investors find the issues far too complicated to be able to take any view about them which is sufficiently clear-cut to be translated into terms of market prices. The general feeling is one of uncertainty about the implications, and uncertainty by itself is sufficient under present circumstances to discourage investment and lower prices. In addition, the discussion about the loan and Bretton Woods has focussed public attention on the gravity of this country's external economic position at a time when there are also plenty of grounds of disquiet about the internal situation. Not only is there increasing evidence that reconversion is proceeding too slowly, but the Government's nationalisation plans, discussed from another aspect below, have turned out to be more far-reaching and immediate than had generally been expected. Under these conditions, it is not surprising that there has been less interest in industrial shares. Even those who take a favourable long-term view about the prospect for equities are less confident about the short-term outlook, and there have been some signs of a preference for overseas securities, particularly the shares of developing South African gold mines, though there was also a marked recovery in other sections of the market before the end of the year.

Withdrawal of "Tap" Issues

Although adherence to the Bretton Woods plan will certainly not make it any easier to maintain cheap money in this country, it is impossible to say whether this consideration has had any effect on gilt-edged prices, because there have been so many other more obvious influences. For some time the anticipation that Mr. Dalton would introduce cheaper borrowing at the end of Thanksgiving Weeks has had the effect of inducing switches from short- to long-dated securities. This process, which included the readjustment of short bond values to the assumption that they would be called on their earliest instead of their latest maturity dates, was carried to such a pitch that the "shorts" were put back on a $2\frac{1}{2}$ per cent. yield basis, while "Old" Consols were only yielding $2\frac{1}{2}$ per cent. Under these difficult circumstances, Mr. Dalton has had to attack the problem at both ends. Of the short-dated loans, Conversion $2\frac{1}{2}$ per cent. and National War Bonds $2\frac{1}{2}$ per cent., 1945-7, are being replaced by Exchequer Bonds $1\frac{1}{2}$ per cent., 1950, and at the other end of the scale National War Bonds $2\frac{1}{2}$ per cent., 1954-56, and Savings Bonds 3 per cent., 1965-75, were withdrawn from issue on December 15, and are not being replaced for the time being. The announcement of these changes gave little immediate encouragement to the gilt-edged market, because the impending withdrawal of Savings Bonds precipitated a final rush to purchase these bonds while they were still available, and thus diverted attention from the market securities. In the absence of any "tap" loans on issue, all freshly-accumulating funds will have to be invested in existing securities. This is, no doubt, expected to

force up gilt-edged prices in due course, and prepare the way for still cheaper borrowing.

Nationalisation Figures

It has been noted earlier that one depressing influence in the markets has been the Government's nationalisation programme. For some time investors had been consoling themselves with the reflection that it would be impossible to complete this within five years, and Mr. Morrison's intimation that the whole programme will be crowded into the life of the present Parliament has, therefore, come as rather a shock. There are, however, some paradoxically favourable points for equity shares in the very size of the nationalisation programme. The market value of all securities in the groups scheduled for nationalisation amounts to about one-fifth of the total value of securities listed on the Stock Exchange, apart from British Government securities. This is a very large proportion of the total, and opens up the possibility of a considerable reinvestment demand for existing securities. Although it is not known what form compensation will take, it is fair to assume that the transfer of ownership will result in stockholders being put in possession of a fixed annual income. Even where they were previously holders of fixed-interest stocks, they may not regard their new income as adequate, and where they were previously holders of equities, they will very likely wish to continue to hold equities. If only a small proportion are dissatisfied with what the Government offers them, there will be a considerable reinvestment demand for what securities remain, and, other things being equal, a large part of this demand is likely to be concentrated on industrial stocks.

Stock Exchange Placings

There is considerable dissatisfaction in investment circles about methods of marketing existing securities. Since Treasury sanction is required before unquoted securities may be made available to the public by "offers for sale," the marketing of existing securities is, in effect, confined to placings through the Stock Exchange. This method, as practised at present, works to the disadvantage of the general public. In the first place, only a very small proportion of the shares available are normally placed through the market, the greater part having been placed by the issuing house concerned with outside investors and institutions. In the second place, it is only those in very close touch with the market who have the opportunity of obtaining shares at the original placing price. By the time the general public are aware of the matter, the shares have usually already established a substantial premium. Close consideration is now being given to the possibility of introducing more equitable methods of marketing.

Issuing Houses Association

Another development in the realm of capital issues is the formation of an Issuing Houses Association. At a time when official control of capital raising is certainly not diminishing, it will, no doubt, be useful to have a single body to represent the private interests concerned. Some anxiety has, however, been expressed lest the new association may tend to be exclusive. It has been noticed, for example, that many of the newer and more active issuing houses are not members, which will seriously detract from the representative character of the new body.

Points from Published Accounts

Associated Equipment

The directors of the Associated Equipment Company take elaborate pains to ensure that, regarding certain matters, the shareholders are kept well informed. Thus, comparative figures are provided in both the balance sheet and the profit and loss account, while a chart entitled "graphic distribution of net profits for ten years" brings out clearly the extent to which heavier taxation has offset expansion in the trading surplus. In some respects, however, the particulars given are not so ample as they might be. "Taxation provision and reserve for future income tax liabilities" are both included with general creditors in an omnibus item of £1,450,465, which makes it difficult to form an opinion as to the adequacy of cash and investment resources of £591,394. The trading profit is determined after making estimated provisions for price adjustments on Government contracts. The fact that it comes out at £1,175,777 suggests that these provisions are not arbitrary; but perhaps it may be mentioned that when general interest (£9,365), transfer and registration fees (£199), and investment realisation profit (£259) are added, the total credits aggregate exactly £1,185,600, as compared with exactly £1,165,100 last time. After directors' fees, the usual allocation to depreciation and replacement reserve, and provision for taxation, the net surplus is £218,500. Perhaps the most interesting feature of the accounts is, however, the strength of the fixed assets statement. The depreciation and replacement reserve is included in sundry reserves at £1,370,000. It actually exceeds the cost value of £1,157,000 set upon plant, machinery, rolling stock, etc., apart from which the only other fixed assets—patterns, jigs, tools, etc., having been written off—are freehold lands and buildings at cost of £529,000, and goodwill of £360,000. The net valuation for fixed assets, both tangible and intangible, is thus a very moderate one, and another source of strength is that the £1,010,000 total of the general reserve and the profit and loss account bears a substantial ratio to share capital of £1,500,000.

P. & O. Steam Navigation

Another fixed assets statement of particular interest is that submitted by the Peninsular and Oriental Steam Navigation Company. A year ago the fleet, described as "cost of ships in service and payments on account of new tonnage, less amounts written off for depreciation," appeared at £2,534,243. The corresponding figure this time is £2,178,039; but this is shown to be made up of £1,685,893 for ships in service, and £492,146 for payments on account of ships under construction. The former item is the residual value after deducting from cost value of £14,153,825 a sum of £200,000 allocated from tonnage replacement reserve and amounts of £12,267,932 written off, this total being substantially in excess of the £10,132,189 which would have been involved had depreciation been restricted to 5 per cent. per annum. This information helps to place the company's position in much clearer perspective, and the directors are to be congratulated on having resumed so promptly a practice which was discontinued in 1942 for security reasons. With investments in subsidiary shipping companies accounting for £9,680,542, the lack of a consolidated balance-sheet is still a hardship, but the company used to submit such a statement before the war, and, while excusing themselves on this occasion on the score of delay in securing figures from abroad, the directors promise to revert to the pre-war custom

as soon as possible. They do not undertake, however, to publish a group profit and loss account. Such a document would be most informative, for while on the parent company's figures earnings on the deferred capital can be calculated as above 30 per cent., the accounts of the British India Steam Navigation Co. for the year to September 30, 1943, published last July, reveal that this subsidiary alone retained profits equivalent to another 30 per cent. odd on that capital. The chances are that the increased distribution of 10 per cent. (against 8 per cent.) made for 1944-45 on P. & O. deferred would still look quite modest beside the full group earnings.

Joseph Lucas

It has rightly come to be accepted as a maxim of sound, modern accounting practice that on the one hand holdings of tax reserve certificates should be shown separately from cash or investments and that, on the other, distinctions should be drawn between (a) provisions against tax liability accrued to date, (b) reserves against future tax liability, and (c) other creditors. That these are not refinements of mere academic theory is illustrated by the accounts of Joseph Lucas. What might conveniently be described as quick resources amount to £2,424,724, but of this sum £2,286,382 is in the form of "British Government securities, tax reserve certificates, and municipal securities." The true extent of the resources readily available for the general purposes of the business is, therefore, not revealed. Even were the tax reserve certificates to be stated as a separate item, the information would be of only partial value so long as "provision for taxation and deferred repairs" continued to be included at an unspecified sum in trade and other creditors of £5,040,315. All that the shareholder can do is to note that the quick resources amount to about 50 per cent. of this total.

Walter Spencer and Co.

Walter Spencer and Co. is one of the many companies that have experienced difficulties in the change-over from war to peace. For the year to September 30 last, its trading profit records a decline from £46,245 to £20,609. The net surplus is, however, only moderately lower at £9,681, instead of £11,795, the explanation being that instead of a provision of £26,500 for income tax and E.P.T., there is this time a tax debit of only £3,440, described as "provision for liability to date for income tax less estimated excess profits tax refund." With the amount of this estimated refund left unrevealed, shareholders have no means of knowing how much of their maintained dividend of 12½ per cent. is attributable to trading operations as distinct from a claim on the tax authorities. The chairman points out that the reserves amount to practically 50 per cent. of the capital without taking into account the post-war credit in respect of E.P.T., thus incidentally disclosing that the company could still register another deficiency claim should the need arise. Apart from the specific appropriation against the past year's profits, the carry-forward is made to provide a sum of £17,000 for forward taxation on profits earned to September 30, 1945, a reminder that, where the fundamental changes in trading conditions now taking place result in substantially reduced profits, such profits will have to take up the disproportionately heavy burden of tax liabilities based on the earnings of previous periods in those cases where the now very general practice of reserving against future taxation has not been followed.

LAW

Legal Notes

COMPANY LAW

Winding-up foreign company—Service of petition.

In *Re Namlooze-Vennootschap* (1945, W.N. 233), Uthwatt, J., decided a question relating to the service of a petition at the English address of a foreign company. In 1922 the company was incorporated under Dutch law. Before its voluntary liquidation, its registered office was in Amsterdam. At all times prior to its liquidation, its main business was carried on from London offices. In July, 1938, at a meeting of shareholders in Amsterdam, it was resolved in accordance with Dutch law to wind up the company voluntarily; a voluntary liquidator was appointed. In March, 1940, a creditor obtained judgment against the company, and a receiver was appointed. In September, 1945, a petitioning creditor presented a winding-up petition; she was a shareholder and also a loan creditor of the company for nearly £13,000. In October, 1940, an employee of the petitioning creditor's solicitors, having failed to find any member, officer, or servant of the company at its last registered office in Cornhill, London, left there a copy of the petition with an employee of the firm that rented the office. In October, 1945, the same employee searched the register of foreign companies registered pursuant to the Companies Act, but the company's name was not entered therein. On November 1, 1945, the same employee, having failed to find any proper person to represent the company at its office in Cornhill, left a copy of the petition at that office by placing it on a shelf immediately inside the entrance. By Rule 28 of the Companies (Winding-up) Rules, 1929, if there is no registered office of a company, then the petition shall be served at the principal or last known place of business of the company, if any such can be found. On November 19, 1945, the petition came before the Court.

Uthwatt, J., held that the service was good. The company was a foreign company, unregistered for purposes of the Companies Act, 1929. As the company had clearly had a place of business in England which could properly be called its principal place of business, it was irrelevant that it had also a principal place of business abroad. The rules provided for such a contingency. Assets in this country could be effectively dealt with only if an English liquidator were appointed. He made the usual order.

EXECUTORSHIP LAW AND TRUSTS

Will—Bequest of "all my plate."

It is curious that, apart from a case decided in 1863, there was no authority on the construction in a will of a gift of "plate." Does such a gift comprise only articles of silver or gold, or does it also include silver-plated articles? This question had to be decided recently by Uthwatt, J., in *Re Grimwood* (62 T.L.R. 40). The testatrix had left to her two nephews "all my plate to be divided between them as equally as may be." Among her specific gifts was one of "my small silver tea-service." At her death her silver consisted in the main of silver suitable for table use; there were also a Georgian candlestick and snuffers, a pen tray, presentation cup, and other articles, all of silver. Her Sheffield plate consisted of entrée dishes, salvers, sauce tureens, and wine coasters. Her electro-plate was chiefly utility articles for the dining table. The rest of the will threw no light on the construction of the word "plate." In

the early case decided in 1863, the restricted meaning was given to the word "plate," and it was held that "plate" properly so-called did not include plated articles. Uthwatt, J., said he could not accept such a limitation on the proper meaning of the word "plate" in a will made in 1934. The Oxford English Dictionary defines "Plate" as "utensils for table and domestic use, ornaments, etc., (a) originally of silver or gold; (b) extended to plate ware and to other kinds of metal, usually with distinctive additions, as pewter plate, British plate, electro-plate, etc." The Judge said that the ordinary person using or reading the word "plate" as it appeared in the will before him would not, at the present day, have in mind only articles composed entirely of silver or gold, but would understand the word "plate" in the extended sense attributed to it by the makers of the Oxford English Dictionary as including plated articles. As was not uncommon, the word had changed its meaning. Plated ware had become available to the whole of the population; there was a habit of applying to new articles of secondary worth a name which properly belonged to superior articles of the same general character, and serving the same general purpose as the new articles. The new articles, serving the purpose of "plate" as formerly understood, were produced by "plating." To some, indeed, the word "plate," if used in ordinary conversation, would suggest electro-plate or Sheffield plate as distinct from silver. In his opinion, therefore, no article was excluded from the category of "plate" in that will by reason that it was electro-plate or Sheffield plate.

Will—Codicil to operate "during the present war."

The difficulty of construing the phrase "during the present war" was illustrated in *In re Cooper Deceased* (1945, W.N. 225). The testator made his will in 1937, settling residue on his wife and two sons. He made a codicil in February, 1941, which did not affect the disposition. By a second codicil in October, 1941, he declared that in the event of himself, his wife and two sons (then serving in the R.A.F.) all dying "during the present war," certain legacies were to be paid, subject to which the residue was to go to his sister-in-law. The testator added: "The provisions of the present codicil are to operate only during the continuance of the present war, and are intended to cover the eventuality of my wife and myself or of my wife and myself and my said sons dying during the continuance of the war." The testator died in July, 1945, and his wife died shortly afterwards on the same day. Cohen, J., said that if the words were to be construed in their strict legal sense, he would have to find that the law knew nothing of any intermediate state between war and peace, and that the present war was still continuing (until such time as an Order in Council was made to the contrary). But in construing a will, the Court was not bound to give each word its strict legal meaning. The codicil clearly pointed to the possibility of the extinction of the whole family by enemy action, and its object was to provide directions for the distribution of the testator's property in that eventuality. It was equally clear that the testator's sons were to take the property when the risk of extinction by enemy action ceased. Therefore the words "during the present war" must be interpreted as "during the continuance of hostilities with Germany," and there would be a declaration to that effect.

Society of Incorporated Accountants

MEMBERSHIP

The following promotions in and additions to the membership of the Society have been completed:—

ASSOCIATES TO FELLOWS

Airey, William Albright (John Airey & Co.), Liverpool, Practising Accountant; **Alexander, Norman** (Norman Alexander & Co.), London, Practising Accountant; **Armitt, Arthur**, Borough Treasurer, Heywood, Lancs.; **Barnett, Archibald Victor** (Barnett & Co.), Keston, Practising Accountant; **Barnett, Rupert Noel**, Chief Accountant, South Metropolitan Gas Company, London; **Baskin, Ronald Stewart** (Cooper & Kenny), Dublin, Practising Accountant; **Bates, Edward** (Thomas May & Co.), Leicester, Practising Accountant; **Bell, Walter** (Walter Bell & Co.), Sheffield, Practising Accountant; **Bowers, Harold** (Alfred Nixon, Son & Turner), Manchester, Practising Accountant; **Brooks, Reuben** (R. Brooks & Co.), London, Practising Accountant; **Bunn, Herbert Cecil** (Wright, Fairbrother & Steel), London, Practising Accountant; **Burrows, Reginald Frederick Gervase** (Burrows & White), Nottingham, Practising Accountant; **Burton, John Henry**, Borough Treasurer, Stepney; **Cardwell, Percy** (Poppleton & Appleby), Sheffield, Practising Accountant; **Carlisle, Charles Frederick** (C. F. Carlisle & Co.), Nottingham, Practising Accountant; **Chatrath, Buaaditta Mal, M.A.** (B. M. Chatrath & Co.), Lahore, Practising Accountant; **Collinge, Arnold Roy** (J. H. Lord & Co.), Bacup, Practising Accountant; **Collinge, Vernon Harcourt** (J. H. Lord & Co.), Bacup, Practising Accountant; **Cossins, Alfred Edward** (Barrow & Barrow), York, Practising Accountant; **Cox, Arthur James** (Holmes, Cox & Co.), Springs, S. Africa, Practising Accountant; **Crafter, William James**, London, Practising Accountant; **Davies, Howell** (H. Davies & Co.), Wolverhampton, Practising Accountant; **Dixon, Hubert Norman**, Secretary and Chief Accountant, T. J. Smith & Nephew, Ltd., Hull; **Dodsworth, Gladys Elizabeth Mary** (Barrow & Barrow), York, Practising Accountant; **Douglas, Joseph Kenneth**, Liverpool, Practising Accountant; **Elliott, Wilby Charles**, County Accountant of Kesteven, Lincolnshire; **Elven, William Warnes**, City Treasurer, Norwich; **Flay, John Charles** (Clark, Flay & Co.), Worcester, Practising Accountant; **Forsyth, William**, City Treasurer, Carlisle; **Gardiner, Frederick Louis**, Scarborough, Practising Accountant; **Gee, Leslie Gordon** (W. H. Roberts & Co.), London, Practising Accountant; **Gibson, David** (David Gibson & Co.), Belfast, Practising Accountant; **Goddard, Edgar Harold** (Thornton & Thornton), Banbury, Practising Accountant; **Goldston, Gerald**, Stockton-on-Tees, Practising Accountant; **Gondalia, Gordhandas Hirji, B.Com.** (Gondalia & Mandviwalla), Bombay, Practising Accountant; **Goodwin, Kenneth Edmund**, Newcastle, Staffs., Practising Accountant; **Harrison, George Oliver**, Shrewsbury, Practising Accountant; **Hayden, William John** (Hayden & Hayden), Norwich, Practising Accountant; **Hayhow, Henry**, Borough Treasurer, Lambeth, London; **Hills, Charles Henry** (Blackham & Hills), Birmingham, Practising Accountant; **Holmes, Cecil Lawrence** (Holmes & Halford), Norwich, Practising Accountant; **Holmes, Tom Alexander** (Holmes, Cox & Co.), Springs, Transvaal, Practising Accountant; **Horstead, Horace Edward** (Kennedy, Smellie & Co.), Potters Bar, Practising Accountant; **Hughes, James Leonard** (Langton & MacConnal), Liverpool, Practising Accountant; **Jackson, Tom**, Batley, Practising Accountant; **Keith, William**, Belfast, Practising Accountant; **Kennington, Harold Speechley**,

Joint Managing Director, Hollis Bros. & Co., Ltd., Hull; **Kent, Leslie Patrick**, General Manager, Anglo-Transvaal Consolidated Investment Co., Ltd., Johannesburg; **Key, Bransby Aston** (Vaughan, Key & Payne), Johannesburg, Practising Accountant; **Large, Henry George** (H. G. Large, Libson & Co.), London, Practising Accountant; **Lepper, Harold Murray** (Clifford Towers, Woodroffe & Co.), Northampton, Practising Accountant; **Libson, Nyman** (H. G. Large, Libson & Co.), London, Practising Accountant; **Livingstone, Harry**, Borough Treasurer, Newbury; **Love, John** (Cooper & Kenny), Dublin, Practising Accountant; **Mackrill, Edward Thacker**, Berkhamsted, Practising Accountant; **Macnamara, Anne** (Robert J. Kidney & Co.), Dublin, Practising Accountant; **Malpas, Douglas Wellard, B.A.** (Malpas, Simmons & Co.), Bournemouth, Practising Accountant; **Mandviwalla, Nariman Ruttonji** (Gondalia & Mandviwalla), Bombay, Practising Accountant; **Manning, William Thomas** (Thomas May & Co.), Leicester, Practising Accountant; **Mark, Hedley** (Hibbert, Sier, Woods & Co.), London, Practising Accountant; **Marshall, Cecil**, Shrewsbury, Practising Accountant; **Moss, William** (Moss & Williamson), Ashton-under-Lyne, Practising Accountant; **Page, Reinalt Edwin John**, Secretary and Accountant, The Hoffman Manufacturing Co., Ltd., Chelmsford; **Philip, Alexander**, City Chamberlain, Perth; **Plant, Robert Albert**, Nuneaton, Practising Accountant; **Porter, Edward Ernest**, Secretary and Chief Accountant, The Briton Ferry Steel Co., Ltd., Briton Ferry; **Rabjohns, Philip David**, Worcester, Practising Accountant; **Ratcliffe, Geoffrey Lewis** (Bradley, Slater & Ratcliffe), Bournemouth, Practising Accountant; **Roy, D. N. Guha** (Pal & Roy), Calcutta, Practising Accountant; **Savory, Cecil Redin** (Savory & Dickinson), Johannesburg, Practising Accountant; **Simpson, William Stuart** (William Clark and Stephens), Newport, Mon., Practising Accountant; **Sinclair, John Taylor**, Town Chamberlain, Tayport; **Smith, Edward** (Rodger Smith & Co.), Blackburn, Practising Accountant; **Southern, John Edward** (J. G. Carter & Co.), Shrewsbury, Practising Accountant; **Spinks, Arthur Frank** (Collard & Co.), London, Practising Accountant; **Spooner, Percival Alban**, Chief Accountant and Acting Secretary, Amalgamated Metal Corporation, Ltd., London; **Steel, Charles Stanley** (Wright, Fairbrother & Steel), London, Practising Accountant; **Stirling, John, B.Com., B.L.**, Chief Accountant, Department of Health for Scotland, Edinburgh; **Tarr, Stanley Thomas Hookway** (Butterworth, Jones & Co.), Bridgwater, Practising Accountant; **Turquand, Frank William** (Turquand, Turquand & Co.), London, Practising Accountant; **Turquand, Leonard Wilfred Ernest** (Turquand & Son), London, Practising Accountant; **Vale, Henry Vincent**, Chief Accountant, Powell Duffryn, Ltd., Cardiff; **Walker, Francis Milward**, City Treasurer, Oxford; **Webster, John** (Ashmole, Edwards & Goskar), Swansea, Practising Accountant; **Williamson, John Moss** (Moss & Williamson), Ashton-under-Lyne, Practising Accountant; **Windsor, George Arthur**, Leeds, Practising Accountant; **Whitaker, Herbert** (T. Harold Platts & Co.), Birmingham, Practising Accountant; **White, Charles John** (Burrows & White), Nottingham, Practising Accountant; **Whiteley, Arthur James** (Alfred Nixon, Son & Turner), Manchester, Practising Accountant; **Wyatt, Frederick Lynn** (Alfred Nixon, Son & Turner), Manchester, Practising Accountant.

ASSOCIATES

Adams, John Barclay, Liverpool; **Alexander, Reginald Stanley**, London; **Attiwell, Mary Winifred**, Birmingham; **Berlak, Hermann Ludwig**, London;

Blasdale, Aubrey Askew (R. H. Bridgewater & Co.), Birmingham, Practising Accountant; **Bonwick, Arthur** (Groom & Ramsdale), Manchester, Practising Accountant; **Booth, James**, Wakefield; **Boulton, Charles**, Ashford; **Bradstreet, Norman William**, East Barnet; **Brittain, Kenneth Hamilton**, Johannesburg; **Brown, Geoffrey Howard**, Middlesbrough; **Charles, William Vernon Nell**, Llanelli; **Cullingham, James Francis** (Wright, Fairbrother & Steel), London, Practising Accountant; **Curry, Mary Kathleen**, Bradford; **Curwain, Robert Dawson**, London; **Cutler, Basil**, London; **Deane, Lawrence Arthur Imrie**, Sanderstead; **Dilley, Frank Kenneth**, Leicester; **Ebdon, Laurence Arthur**, Durban; **Eason, Bernard Newby**, London; **Emms, Harry**, Derby; **Fairhead, Harold Neslen**, Great Yarmouth; **Fraser, Hugh Victor**, Salisbury, S. Africa; **Gardner, Wilfred**, Middlesbrough; **Garrett, Morgan Richards**, Haverfordwest; **Gillingham, Wesley John**, City Treasurer, Chichester; **Grace, Edward Patrick**, Waterford; **Gray, Randal Alexander**, Dundalk; **Greenway, Bernard Arthur**, West Bromwich; **Guest, Owen**, Manchester; **Guthrie, David Dawyck**, Dunfermline; **Hale, Ronald James**, Barnsley; **Hall, John**, Heywood; **Harvey, Charles Cranston**, Belfast; **Haythornthwaite, William Arthur**, Plymouth; **Heal, Arthur John**, Birmingham; **Hill, David Hollins**, Wakefield; **Hone, Anthony**, London; **Hounsfield, James Coupland** (Reginald L. Tayler, Hounsfield & Co.), London, Practising Accountant; **Irving, Richard Staver**, Southport; **Jackson, Sydney Moffitt**, Cape Town; **Kassel, John Geoffrey Ambrose**, Pontefract; **Keyte, Edward Henry**, City Treasurer's Department, Plymouth; **King, Arthur Clifford Henham** (Harold C. Wright, Henham King & Co.), London, Practising Accountant; **Leigh, Sidney Walter**, Manchester; **Low, Sidney Douglas**, Johannesburg; **Macinnes, Henry Archibald Ian**, London; **Martin, Charles Peter**, Dublin; **Mawdsley, James Herbert** (Horace Rhodes & Company), Halifax, Practising Accountant; **Mullen, John Francis** (W. A. Collier, Booth & Co.), Liverpool, Practising Accountant; **Munson, James Arthur**, London; **Murch, Geoffrey Arthur**, Plymouth; **Nortcliffe, Albert**, Harrogate; **O'Connor, Niall Thomas**, Dublin; **Pearson, Norman Henry**, London; **Rees, Mark Jacob, LL.B.**, B.Sc., Leicester, Practising Accountant; **Rouse, Alfred**, Manchester, Practising Accountant; **Shannon, Charles Dennis**, Dublin; **Shepherd, John Straiton**, South Shields; **Smith, Arthur Cooper**, Guisley; **Spink, Harry**, Burnley; **Spottiswoode, Courtney John**, London; **Stokes, Edward John**, London; **Storey, John Cullen**, Dublin; **Sutcliffe, Bertram**, Halifax, Practising Accountant; **Sweeting, Edward**, London; **Thompson, Dennis John**, London; **Wadley, William John**, Malvern; **Walker, Ronald** (Arthur Hopewell & Co.), Durban, Practising Accountant; **Ward, Charles Fred**, Nottingham; **Waterfall, Ronald Frederick**, Barking; **Webber, George Douglas**, London; **White, Arthur Ian Geoffrey**, Whitby Bay; **Williams, Philip David**, Leicester; **Wilson, Edward Arthur**, Luton; **Wilson, Stanley John**, Johannesburg; **Wilson, Tom**, Timperley; **Wimble, B. J. S.**, Johannesburg; **Withers, Geoffrey Owen**, Swindon; **Wright, Reginald Steer**, London.

DISTRICT SOCIETIES

LIVERPOOL

As a first step in the resumption of a full programme, a series of fortnightly discussion meetings will be held in the Liverpool Incorporated Accountants' Hall. The discussions will be opened at 5.30 p.m. by the following members:

1946.
Jan. 8 "Income Tax, Schedule E." Mr. A. L. Dickson, A.S.A.A.
Jan. 22 "Costing." Mr. F. W. Frodsham, A.S.A.A.
Feb. 5 "Auditing." Mr. Bertram Nelson, F.S.A.A.

- Feb. 18 "The Function of the Stock Exchange." Mr. F. W. Irving, A.S.A.A.
Mar. 5 General "Quiz." Mr. J. C. Summerskill, F.S.A.A.
Mar. 19 "Income Tax, Schedule D." Mr. C. Dudley Thayer, F.S.A.A.

A fiftieth anniversary dance will be held at Reece's Ball Room, Liverpool, on January 25. The Lord Mayor and the Lady Mayoress of Liverpool (Alderman and Mrs. Luke Hogan) have accepted invitations to be present.

SHEFFIELD

The 58th annual general meeting of the Sheffield and District Society of Incorporated Accountants was held at Sheffield on December 14. The President of the District Society, Mr. A. F. J. Girling, presided.

The report and accounts were approved, and reference was made to Mr. C. W. Bodsworth's success in passing the Final Examination of the Society whilst a prisoner of war.

Mr. Percy Toothill spoke of the refresher course at Oxford. The hope was expressed that arrangements with Sheffield University in connection with the proposed degree for accountancy students would be satisfactorily completed.

It was decided to set up a local advisory panel to assist practitioners and other members.

Mr. C. E. Gray, A.S.A.A., Mr. A. B. Griffiths, F.S.A.A., Mr. W. H. Higginbotham, A.S.A.A., and Mr. Percy Toothill, F.S.A.A., were re-elected members of the Committee, and Mr. Arnold Graves, F.S.A.A., was re-elected auditor.

The following have been appointed officers of the Society for the ensuing year:—President, Mr. A. F. J. Girling, F.S.A.A., Doncaster; Vice-President, Mr. C. S. Garraway, A.S.A.A., Sheffield; Honorary Secretary and Treasurer, Mr. J. W. Richardson, F.S.A.A., Sheffield; Honorary Librarian, Mr. H. G. Toothill, A.S.A.A., Sheffield.

SOUTH WALES AND MONMOUTHSHIRE

The Students' Societies of Cardiff and Newport combined to hold their first post-war meeting at Cardiff on November 29, when Mr. W. Snelgrove, A.S.A.A., Newport, delivered a lecture on "Company Audits." The chair was occupied by Mr. Vernon G. Fradd, A.S.A.A.

In view of the large number of students still serving in the Forces, the attendance was gratifying, and all were greatly interested in Mr. Snelgrove's lecture. He dealt with many points submitted by members and the success of the meeting fully justified the decision to resume activities.

A further joint meeting of the Students' Societies was held at the Temple of Peace and Health, Cardiff, on December 15, under the chairmanship of Mr. Vernon G. Fradd, A.S.A.A. The attendance was excellent, and Mr. R. R. Davies, F.S.A.A., gave an interesting and instructive lecture on "Costing and Costing of Government Contracts."

SWANSEA AND SOUTH-WEST WALES

Syllabus of Lectures

- 1946
January 16. "Offer and Acceptance," by Mr. Rowe Harding, Barrister-at-Law. Chairman: Mr. E. G. White, A.S.A.A.
February 13. "Mechanical Accounting," by Mr. E. E. Porter, A.S.A.A. Chairman: Mr. W. H. Ashmole, M.B.E., J.P., F.S.A.A.
March 13. "Partnership Law," by Mr. Gethin Williams, LL.B. Chairman: The President.
May 29. Annual General Meeting.

Meetings will be held at 6.30 p.m. at the Central Library, Alexandra Road, Swansea, unless otherwise notified.

A course of evening classes in preparation for the Intermediate Examination of the Society will commence early in February at the East Ham Technical College, Barking Road, East Ham, London, E.6.

PERSONAL NOTES

Mr. Charles S. Steel, F.C.A., F.S.A.A., a partner in Messrs. Wright, Fairbrother & Steel, Incorporated Accountants, is Mayor of the Metropolitan borough of St. Marylebone for the year 1945-46. Mr. Steel was re-elected as an alderman at the recent municipal elections. Mr. James F. Cullingham, A.C.A., A.S.A.A., another partner in the firm, was elected a member of the Camberwell Borough Council.

Mr. C. W. Elliott, Incorporated Accountant, announces that he has commenced practice at 66, High Street, Shirley, Southampton, under the style of C. W. Elliott & Co.

Mr. A. J. Gould, Incorporated Accountant, has commenced to practise at London House, Newquay, Cornwall.

Messrs. Walker, Weller & Roy, 3, Edith Walk, Malvern, have admitted Mr. W. J. Wadley, Incorporated Accountant, into partnership.

Mr. E. Emmerson, A.S.A.A., A.C.W.A., general manager and secretary of Proctor Bros. (Wireworks), Ltd., Leeds, London and Cardiff, has been appointed a director of the company.

Messrs. Wells & Richardson, Incorporated Accountants, Fargate House, Sheffield, 1, have taken into partnership Mr. Clifford Harold Kershaw, Incorporated Accountant, who served his articles with Mr. J. W. Richardson and has since remained associated with the firm. The practice will be continued under the style of Wells, Richardson & Co., at the same addresses as hitherto.

OBITUARY

HALVOR PIGGOTT

We have learned with deep regret that Mr. Halvor Piggott, F.S.A.A., Manchester, died on December 9, at the early age of 48. After qualifying as an Incorporated Accountant in 1920, he was admitted to partnership with his father, the late Mr. Arthur E. Piggott, in the firm of Arthur E. Piggott, Son & Co., Incorporated Accountants. In 1930 he was appointed Assistant Honorary Secretary of the Incorporated Accountants' Society of Manchester and District, of which Mr. Arthur E. Piggott had been Honorary Secretary since its formation as the first District Society in January, 1886. Mr. Halvor Piggott later became sole Honorary Secretary, and in 1938 Vice-President, but was compelled by ill-health to relinquish both offices in 1943. His many activities on behalf of the District Society included organisation of the fiftieth anniversary celebrations in 1936, the designing of the President's and Vice-President's badges, and representative membership of the Education Committee of the Manchester Chamber of Commerce. For several years before the outbreak of war in 1939 he was responsible for the arrangements for holding the Society's examinations in Manchester.

During the war Mr. Piggott served with vigour in the Home Guard, in which he was appointed Group Liaison Officer with the rank of captain.

He was secretary of Macclesfield Rotary Club from 1934 to 1937, and President in 1939-40. Like his father, he was actually interested in the cremation movement.

Mr. Halvor Piggott was personally known to nearly all the members of the Council of the Society, who had a high regard for his work on behalf of Incorporated Accountants in Manchester.

WILLIAM JOHN CHING

We announce with regret the death on December 14, at the age of 50, of Mr. W. J. Ching, F.S.A.A., senior partner of Messrs. W. J. Ching & Co., Plymouth. Mr. Ching became a member of the Society of Incorporated Accountants in 1919, after taking Honours in the Final Examination, and commenced to practise as an Incorporated Accountant in the same year. When the Incorporated Accountants' District Society of Devon and Cornwall was founded in 1934, Mr. Ching was elected as its first President, retaining that office for two years.

Mr. Ching was a staunch Churchman and a prominent Freemason. He was Past Master of Philammon Lodge and had been honoured with the rank of Past Provincial Grand Registrar of Devon.

The funeral service on December 19 was attended by Mr. G. E. L. Whitmarsh, F.S.A.A., a Vice-President of the Devon and Cornwall District Society.

GEORGE HENRY LAWRENCE

We regret to record that Mr. George Henry Lawrence, F.S.A.A., died on November 15.

Mr. Lawrence became a member of the Society in 1895 after having obtained the first place in both the Intermediate and Final Examinations. He commenced in public practice immediately after qualifying and was the senior partner of Messrs. Lawrence, Hann & Best, London, until his retirement in 1939.

His relaxations from professional responsibilities included music: he was a superintendent of the Handel Festival Choir. He was a life-member of the North Middlesex Golf Club, having served in the offices of vice-president and honorary treasurer.

City of London College

Courses will commence at the City of London College on January 7, 1946, in preparation for the examinations of the Institute of Chartered Accountants, the Society of Incorporated Accountants, and the Association of Certified and Corporate Accountants. Intermediate classes will be held in auditing, accountancy, mercantile law, economics, and general commercial knowledge. Classes for the Final will include accountancy and auditing, taxation, mercantile law, economics, and company law.

Intending students should enrol immediately at the City of London College, Electra House, Moorgate, London, E.C.2.

POSITIONS VACANT

OVERSEAS EMPLOYMENT

AUDITOR AND ACCOUNTANT required for the Co-operative Societies Department, Malaya, under the Civil Administration, for three years in the first instance, with prospect of permanency. Salary \$400 a month rising to \$800 a month. Children's allowance of \$70 a month for the first child and \$50 a month for the second child. Outfit allowance £30. Free passages and quarters. (Malayan dollar—2s. 4d.) Candidates, between the ages of 25 and 35, must be Chartered or Incorporated Accountants, and have a good knowledge of the principles of banking, currency, foreign exchange and stock exchange practice in connection with mortgage and loan bonds and suretyship and should have a knowledge of statistics.

Applications, which must be in writing, stating date of birth, full details of qualifications and experience, including present employment; also Identity and National Service or other registration particulars, and quoting reference No. F.A.162, should be addressed to the MINISTRY OF LABOUR AND NATIONAL SERVICE, London Appointments Office, 1-6, Tavistock Square, London, W.C.1.

OVERSEAS EMPLOYMENT

SUDAN RAILWAYS require fully qualified Cost Accountant, age 25-30. Candidates must have had practical experience in up-to-date costing methods, preferably with a public utility undertaking. Knowledge of modern methods of standard costing and of budgetary control will be an advantage.

Senior pensionable post. Initial probationary contract for two years with starting rate £E.540-660 per annum, according to age, qualifications and experience (£E.1—£1 0s. 6d.). Scale rises to maximum of £E.936 per annum. Free passage on appointment. Strict medical examination. At present there is no income tax in the Sudan. Separation or Special War Allowances payable in accordance with regulations, when eligible.

Applications, which must be in writing, stating date of birth, full details of qualifications and experience, including present employment, also Identity and National Service or other registration particulars, and quoting Reference No. O.S.864, should be addressed to the MINISTRY OF LABOUR AND NATIONAL SERVICE, London Appointments Office, 1-6, Tavistock Square, London, W.C.1.